

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

EDGE CAPTURE L.L.C., and EDGE
SPECIALISTS, L.L.C.,

Plaintiffs,

V.

BARCLAYS BANK PLC, BARCLAYS CAPITAL INC., UBS AG, UBS FINANCIAL SERVICES, INC., UBS SECURITIES, L.L.C., WOLVERINE TRADING, L.L.C., AND WOLVERINE EXECUTION SERVICES, L.L.C.,

Defendants.

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Civil Action No. 09 CV 1521

Judge Charles R. Norgle, Sr.

Magistrate Judge Denlow

**THE BARCLAYS AND UBS DEFENDANTS' RENEWED MOTION TO
BIFURCATE PATENT INVALIDITY AND UNENFORCEABILITY
FROM ALLEGED INFRINGEMENT AND DAMAGES**

Defendants Barclays Bank PLC and Barclays Capital Inc. (collectively, “Barclays”), and UBS AG, UBS Financial Services, Inc., and UBS Securities L.L.C. (collectively, “UBS”), hereby move the Court to bifurcate all patent invalidity and unenforceability issues from the infringement and damages issues. The unique circumstances of this case support bifurcating the case in this manner and first proceeding with the invalidity and unenforceability issues:

- *First*, the patents-in-suit are demonstrably invalid under at least (i) 35 U.S.C. § 101 for not claiming patentable subject matter; (ii) 35 U.S.C. § 102 because the alleged inventions merely attempt to speed up and automate well-known trading methods that are disclosed by prior art; and (iii) 35 U.S.C. § 103 for obviousness, which is underscored by the fact that the patents were issued by the Patent Office using an overruled standard.
- *Second*, the patents are unenforceable due to the patent applicants’ pattern of inequitable conduct before the Patent Office, which included at least (i) withholding highly material prior art systems and references; (ii) providing inconsistent disclosures for the two patents; and (iii) filing a false declaration regarding the inventorship of the patents.
- *Third*, plaintiffs Edge Capture L.L.C.’s and Edge Specialists, L.L.C.’s (collectively, “Edge”) have announced that they will seek broad discovery, likely including highly-confidential business information that is at the heart of Barclays and UBS’ proprietary trading businesses. Unveiling this incredibly sensitive information could have a devastating impact on Barclays, UBS, and the economy, and will likely lead to numerous discovery disputes. All of this may be avoided through defendants’ proposed bifurcation.
- *Fourth*, bifurcation would simplify the issues for an infringement trial, if needed, and avoid the established jury prejudice of trying infringement and invalidity claims together.

Under these circumstances, it is judicially efficient and economical to proceed with the dispositive and nearly-ripe invalidity and unenforceability issues, while staying complex, undeveloped, and costly infringement and damages proceedings. Edge cannot demonstrate prejudice from the proposed bifurcation and any resultant delay in infringement and damages proceedings is substantially outweighed by the benefit of producing a streamlined and efficient resolution to this matter. In contrast, the defendants would be unduly prejudiced if infringement and damages proceedings were to go forward on patents that are invalid and unenforceable. Accordingly, the Barclays and UBS defendants’ motion for bifurcation should be granted.

Respectfully submitted,

Dated: March 4, 2011

By: /s/ Jeffrey G. Randall
Jeffrey G. Randall (admitted *pro hac vice*)
PAUL, HASTINGS, JANOFSKY & WALKER LLP
1117 S. California Avenue
Palo Alto, CA 94304-1106
Tel: (650) 320-1800

Allan M. Soobert (admitted *pro hac vice*)
PAUL, HASTINGS, JANOFSKY & WALKER LLP
875 15th Street, N.W.
Washington, DC 20005
Tel: (202) 551-1700

Emily Newhouse Dillingham
PAUL, HASTINGS, JANOFSKY & WALKER LLP
191 N. Wacker Drive
Chicago, IL 60606
Tel: (312) 499 6292

*Attorneys for Defendants Barclays Bank PLC, Barclays
Capital Inc., UBS AG, UBS Financial Services, Inc., and
UBS Securities, L.L.C.*

CERTIFICATE OF SERVICE

I, Jeffrey G. Randall, hereby certify that on March 4, 2011, I caused a true and correct copy of the foregoing Renewed Motion To Bifurcate Patent Invalidity and Unenforceability From Alleged Infringement and Damages to be served by electronic filing using the CM/ECF system upon:

Sang A. Young Brodie
sybrodie@rkmc.com, mjlanson@rkmc.com, mmtacheny@rkmc.com

Patrick G. Burns
pburns@gbclaw.net, docket@gbclaw.net

Glenna Lynn Gilbert
glgilbert@rkmc.com, dmlafrance@rkmc.com

Munir R. Meghjee
[rmrmeghjee@rkmc.com](mailto:mrmeghjee@rkmc.com), ljlewis@rkmc.com, jkcornelius@rkmc.com

Ronald Schutz
rjschutz@rkmc.com

Robert W. Unikel
Robert.unikel@kayescholer.com; maondil@kayescholer.com

Deanna Keysor
deanna.keysor@kayescholer.com

Michelle K. Marek
michelle.marek@kayescholer.com

Jeana R. Lervick
jlervick@gbclaw.net; docket@gbclaw.net

Gavin James OKeefe
gokeefe@gbclaw.net

Dated: March 4, 2011

By: /s/ Jeffrey G. Randall